

Alameda Reuse and Redevelopment Authority

Memorandum

To: Honorable Chair and
Members of the Alameda Reuse and Redevelopment Authority

From: John A. Russo
Executive Director

Date: February 7, 2012

Re: Provide Direction to Staff to Implement Land Use Amendments for Alameda Point Consistent with the Navy's Anticipated Conveyance of Alameda Point Property and the Goals Stated in the Recent Community Process

BACKGROUND

The Alameda Reuse and Redevelopment Authority (ARRA) and the United States Navy (Navy) entered into an Economic Development Conveyance (EDC) Memorandum of Agreement (MOA) in 2000, which authorized a no-cost conveyance of major portions of the former Naval Air Station Alameda (NAS Alameda) property, including Alameda Point and Bayport, to the ARRA consistent with the NAS Alameda Community Reuse Plan (Reuse Plan) adopted in 1996. The ARRA and Navy entered into Amendment No. 2 to the EDC MOA (Amendment No. 2) on January 4, 2012 that re-commits the ARRA and Navy to the Reuse Plan. Amendment No. 2 is consistent with the Term Sheet between the Navy and ARRA that was approved by the ARRA on October 5, 2011. Pursuant to these agreements, it is expected that conveyances of significant portions of the Alameda Point property will occur during 2012. While the Reuse Plan contemplated a total of 2,737 residential units, 2,011 were expected to be constructed on EDC Property. The 2,011 units available for the EDC Property include the 586 housing units already constructed at Bayport, which would allow 1,425 units of housing at Alameda Point. The Reuse Plan also contemplates approximately 5.5 million square feet of commercial and other non-residential uses at Alameda Point.

In the fall of 2010, the ARRA staff held three community forums to evaluate the community's priorities related to the future development of Alameda Point and presented a "Community Planning Workbook" (Workbook) to the participants (Exhibit 1). In addition to the forums, staff provided online opportunities for residents and other stakeholders to complete the Workbook, held an Alameda Point Tenant Forum, and discussed the Workbook and community priorities for Alameda Point with the Planning Board, Economic Development Commission, Historical Advisory Board, Recreation and Parks Commission, and Transportation Commission. This community process resulted in significant feedback from residents and businesses, which was highlighted in a Summary Report and presented to the ARRA Board on April 6, 2011 (Exhibit 2). The findings from this community involvement process addressed numerous topics related

to land uses; land use districts; building types and neighborhood character; parks and open space; historic character, preservation and adaptive reuse; and transportation and mobility. Subsequently, staff held more focused community meetings on key issues related to infrastructure costs and financial feasibility, transportation, and sustainability. One of the key findings from this extensive process was how many of the goals and objectives included in the Reuse Plan generally remain valid and supported by the community. As a result, staff believes it is important to update the City's zoning and other land use policies to reflect the principles and policies of Amendment No. 2 and the community's expressed priorities.

Additionally, staff presented some initial thoughts and findings regarding a Disposition and Development Strategy (Strategy) to the ARRA Board at its December 7, 2011 meeting, and also will discuss a proposal for how to proceed with the Strategy later in this evening's agenda.

DISCUSSION

Through the process of evaluating options and preparing the Strategy, staff has concluded that inclusion of the Reuse Plan and the community's recently expressed priorities into the City's land use policies via a Zoning Ordinance and a minor General Plan amendment for Alameda Point (Land Use Amendments) is the next appropriate step in moving forward successfully with development at Alameda Point regardless of which particular disposition and development strategy is ultimately selected by the ARRA.

It is essential that the ARRA and the community's expression of their overarching expectations and priorities for the future development of Alameda Point be included in the City's land use policies now so that any future relationship with a development advisor or development partner(s) is built upon a clear policy foundation. Such clarity will reduce entitlement risk and delay in any future development efforts. Clear policies will help Alameda avoid "starting from scratch" with, or ceding too much control over the direction of future development to, a new private partner.

Additionally, while the proposed Strategy contemplates a prudent and phased approach to disposition and development, the Land Use Amendments are for the entirety of Alameda Point. Inclusion of the Land Use Amendments in the City's planning policies for the entire base will help assure that the entitlement process for an initial phase and subsequent phases will be compatible with the ARRA's and community's overall priorities for the entire property. This more comprehensive approach will also help facilitate the efficient implementation of certain types of financing needed to fund infrastructure development.

Finally, there is currently only one zoning designation for all the Alameda Point property: General Industrial (Manufacturing) District with a Special Government District Overlay (M2-G). As the ARRA progresses with disposition and development of initial and

subsequent phases, and considers entering into longer term leases in certain areas, it will be critical to create land use districts that differentiate among sub-areas within Alameda Point by emphasizing predominant, ancillary, and excluded land uses within a given sub-area. The Land Use Amendments will help achieve this goal.

In sum, staff is recommending moving forward with the Land Use Amendments for Alameda Point for the following reasons:

1. **Amendment No. 2 Consistency.** Based on the recent adoption of Amendment No. 2 as part of its conveyance agreement with the Navy, it is important to bring the City's land use policies up-to-date with the ARRA's, Navy's, and community's current expectations.
2. **Statement of Community Priorities and Guide for Private Development.** Based on the extensive knowledge gained through the ARRA's recent community process, it is time to provide a clear policy statement of the City's and community's priorities that helps guide the ARRA's future partnerships with the private development community.
3. **Comprehensive Framework for Entire Property.** It will also be valuable to have land use policies for the entire base to assist the ARRA in its leasing and disposition decisions, as the ARRA most likely takes a phased approach to disposition and development. This framework will likely enhance community acceptance, as well as facilitate more efficient and effective infrastructure planning and financing.
4. **Outdated Existing Zoning.** Lastly, the "one size fits all" zoning designation of M2-G for the entirety of Alameda Point is outdated. As the property is disposed of and developed and long-term leases are considered, it will be important that up-to-date land use policies that reflect the City's and community's priorities are in place to guide these efforts.

The Land Use Amendments can be prepared cost-effectively by using much of the work already completed in the previous planning documents developed for Alameda Point, relying on staff work and input, and preparing an addendum to previous Environmental Impact Reports (EIR) prepared for the Reuse Plan, the 2003 Alameda Point General Plan Amendment, and the updated Transportation Element. Any future disposition and development process, including for an initial phase, will be required to prepare a detailed plan, including design guidelines, street and streetscape standards and illustrative graphics, as well as a project EIR. This process will also include numerous public hearings with the Planning Board, other relevant commissions and the ARRA. **The proposed Land Use Amendments are not intended to substitute for this more detailed work, but instead act as an overarching policy framework that will guide it.**

More specifically, the Land Use Amendments would delineate zoning within Alameda Point that would emphasize different predominant land uses for each sub-area. Each district would include a purpose statement, a list of permitted and conditionally permitted uses, the types of buildings allowed or required, height limits, other applicable overlay requirements (e.g., State Lands, biological opinion, etc.), and the entitlement requirements and processes (e.g., transportation plan, infrastructure plan and design review).

The Land Use Amendments' process will include a number of public hearings with the Planning Board and ARRA, including working sessions, presentations of draft amendments, and final recommendations, throughout the months of February, March, and April. It is intended that staff will come to the City and ARRA for final approval of the Land Use Amendments in May 2012. Again, any future development process will be required to comply with the entitlement procedures, requirements and approval process outlined above.

FINANCIAL IMPACT

It is estimated that the proposed Land Use Amendments for Alameda Point will cost between \$65,000 to \$75,000 for consultants to provide supplemental planning support to staff's efforts, including the drafting of the Land Use Amendments and preparation of the environmental review document. Other staff and legal costs related to this effort are also covered by the ARRA's existing budget.

ENVIRONMENTAL REVIEW

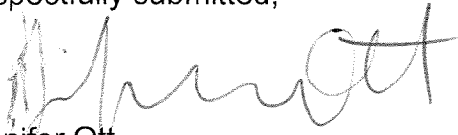
The recommended action to provide direction and appropriate funds for the preparation of draft land use amendments and environmental documents is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15262.

Future actions by the Planning Board and City Council on the draft Land Use Amendments will be subject to CEQA. The necessary environmental documents will be prepared and presented to the Planning Board and City Council prior to any action on any draft zoning or General Plan amendments.

RECOMMENDATION

Provide direction to staff to implement Land Use Amendments for Alameda Point consistent with the Navy's anticipated conveyance of Alameda Point Property and the goals stated in the recent community process.

Respectfully submitted,



Jennifer Ott
Chief Operating Officer – Alameda Point

Approved as to funds and account,



Fred Marsh
Controller

Exhibits:

1. Alameda Point 2010 Community Planning Workbook (previously provided/on file with the City Clerk's office)
2. Alameda Point 2010 Community Forums Summary Report, March 2011 (previously provided/on file with the City Clerk's office)